ASX RELEASE – COVENTRY GROUP LIMITED (ASX: CYG)

20 November 2026

Chairman's address to AGM

Before we move to the formalities of the AGM, including hearing from our MD & CEO Nik Alpert, a few opening comments from me.

My Chairman's report is contained in the 2026 Annual Report, and I do not intend repeating its content today.

It is very pleasing that during FY26 the Group began to demonstrate tangible progress against the operational reset it embarked upon over twelve months ago, following a difficult FY25 challenged by softer trading conditions, ERP implementation disruption and an inflated cost base.

As you all know, FY26 did not begin well with first half sales of $187.4 million and EBITDA of only $3.2 million reflecting the legacy of the prior period challenges. However, the second half told a markedly different story. Third quarter EBITDA of $2.1 million, though still below the prior year, masked a significant improvement in trading momentum through the quarter, with March alone delivering sales growth of 6.5% and an EBITDA uplift of 72% on the prior corresponding period. That momentum carried through into the fourth quarter, which produced sales of $98.5 million, up 11.7% on the third quarter and 6.0% on the prior corresponding period, and EBITDA which nearly doubled quarter-on-quarter to $4.1 million.

Pleasingly, FY26 second half earnings momentum continued into the new financial year and as announced on 16 October 2026, unaudited EBITDA for Q1 FY27 was $5.4m, up 87% on the prior corresponding period and up 31% on Q4 FY26. Nik will talk in more detail about this.

The Board has been very pleased with management's "back to basics" agenda, with disciplined sales execution, gross margin recovery and cost efficiency the central focus of the past year. It was pleasing to achieve the Group's targeted $10 million of annualised cost reductions and, encouragingly, this was accompanied by the strongest quarterly operating cash flow of the year, $5.9 million in the fourth quarter of FY26.

As announced in January 2026, following unsolicited approaches regarding individual businesses within the Group, the Board commenced a strategic review of Coventry's business portfolio. The review has been examining a range of options directed at unlocking shareholder value. Against the backdrop of improving performance the Board is being very measured and considered in its assessment of any such approach, not progressing any offers which do not reflect appropriate value. There is no material update at this time, and the Company will keep the market informed in accordance with its continuous disclosure obligations. In the meantime, management remains focused on executing the turnaround and FY27 priorities, independent of the review.

The Board is very pleased with the way Nik Alpert and the Group's Chief Financial Officer, Patrick Maloney, are going about their respective roles. They are leading the senior team with energy and discipline, and the success of their efforts is evident in improving financial performance. Lastly, in accordance with the Board's policy in relation to term of office I retire today as a director of Coventry Group. It has been my privilege to serve. A Meeting of Directors follows this AGM, and I anticipate an announcement regarding Board composition will be made following that.

On behalf of the Board, I thank our employees across Australia and New Zealand for their commitment through a demanding year of change, our customers and suppliers for their continued support, and you, our shareholders, for your patience as the Group works through this turnaround. Your Board remains focused on restoring Coventry Group to sustainable, profitable growth and to delivering improved returns for shareholder